

FISCAL NOTE

SB 778 - HB 1375

April 19, 2005

SUMMARY OF BILL: Prohibits a health care provider authorized to dispense controlled substances from selling, bartering, giving away or delivering a legend drug to an individual without verifying the following through electronic record: other pharmacy/pharmacist dispensers from whom the individual has received or attempted to receive a legend drug within the previous 90 day period; the legend drugs dispensed within the previous 90 day period including a prescriber, patient and dispenser identifier, dispensing date, strength and quantity of the drug, name of the legend drug and estimated days supply. Requires the Commissioner of Commerce and Insurance to develop a portable medical record software and system which can transmit healthcare and medical record information.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – Exceeds \$2,500,000 One-Time
\$125,000 Recurring - Year Two**

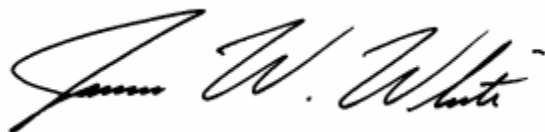
**Other Fiscal Impact – Increase Federal Expenditures:
Exceeds \$2,500,000 One-Time
\$125,000 Recurring - Year Two**

Assumptions:

- The Department of Commerce and Insurance and the Bureau of TennCare would develop a portable medical record software and system which will be provided to all dispensers of legend drugs estimated to exceed \$5,000,000 in one-time expenditures. This estimate includes instillation of software and card readers in pharmacies, information smart cards for patients, and additional personnel, office and computer equipment.
- Centers for Medicare and Medicaid services will match at a 50% rate for system development resulting in state expenditures of \$2,500,000 and federal expenditures of \$2,500,000.
- The annual system maintenance, which would start in year two, is estimated at \$250,000 which will also receive a CMS match at 50% resulting in \$125,000 in state expenditures and \$125,000 in federal expenditures.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director